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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 000307

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DEPT FOR EUR (DICARLO), EUR/SCE (HOH, SILBERSTEIN, FOOKS,
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TAGS: [PREL](#) [PGOV](#) [PINR](#) [MARR](#) [BK](#)
SUBJECT: BOSNIA- UNDER PRESSURE, SPIRIC SECURES COM
APPROVAL OF DEFENSE PROPERTY AGREEMENT

REF: A. SARAJEVO 246
[1](#)B. SARAJEVO 162
[1](#)C. SARAJEVO 150
[1](#)D. SARAJEVO 129

Classified By: Ambassador Charles English for reasons 1.4 (b) and (d)

SUMMARY

[1](#)1. (C) Prime Minister Nikola Spiric presided over a Council of Ministers (CoM) decision approving the Transfer Agreement on Movable Defense Property at its February 14 session. This development comes after sustained mission engagement with PM Spiric following the February 7 decision by the Republika Srpska (RS) government to put the agreement on hold. The CoM action, coupled with the Federation government's approval of the agreement last week, places the onus to conclude the agreement solely on RS Prime Minister Dodik and his government. End Summary.

SPIRIC AND COM APPROVE AGREEMENT

[1](#)2. (SBU) Under the direction of Prime Minister Nikola Spiric, the state Council of Ministers (COM) approved the Transfer Agreement on Movable Defense Property at its February 14 session. The COM authorized Prime Minister Spiric to sign the agreement on behalf of the state as soon as the RS Government approves the text. (Note. The Federation Government approved the three party agreement on February 5. End Note.) The agreement passed by the CoM included amendments inserted following NATO and RS government discussions on January 31 (ref A), and is consistent with the principle that that all arms, ammunition and explosives would transfer ownership to the state. The decision passed unanimously in the Council of Ministers.

TEMPORARY SHIFT OF FOCUS AWAY FROM BANJA LUKA

[1](#)3. (C) The CoM decision followed days of intense mission engagement with Spiric and other senior state-level

officials. Following Dodik's decision to renege on his February 7 commitment to secure RS government approval of the agreement (ref A), post pursued securing CoM approval of the January 31 text with the goal of isolating Dodik and the RS government on the issue. While Spiric claimed on numerous previous occasions that he supported the draft agreement (ref D), we had reservations that he, as a member of Dodik's Alliance of Independent Social Democrats (SNSD), would ultimately support an agreement that Dodik clearly wanted to obstruct and undermine.

SPIRIC INITIALLY HOPES TO AVOID ISSUE

14. (C) The Ambassador and NATO HQ Sarajevo POLAD met with Spiric on February 11 and pressed him to include the agreement on the agenda for February 14 COM session. The Ambassador underscored that Spiric had clear responsibilities as the state Prime Minister to do everything possible to meet Bosnia's NATO obligations, especially given Bosnia's aspirations for the Bucharest Summit. The Ambassador stressed that Dodik's behavior in backing out of the transfer agreement was unacceptable, and both the United States and NATO expected that "serious partners" would honor their commitments and negotiate in good faith. The Ambassador told Spiric that Dodik's actions raised questions about RS intentions, including whether it intends to maintain weapons stockpiles.

15. (C) Spiric asserted that he too was disappointed in the RS government's failure to adopt the agreement, and that it appeared Dodik intended to fully shift responsibility for the agreement to him. Spiric lamented that he wished he had no

SARAJEVO 00000307 002 OF 003

role in the process and claimed to have little ability to sway the positions of either entity or their Prime Ministers.

Spiric finally conceded that the CoM would take action on the agreement, but asked if subsequent changes to a "period, comma, half sentence, whole sentence or maybe even an entire paragraph" could be made to appease Dodik. The Ambassador and NATO POLAD told Spiric that the agreement, as currently drafted, was the product of seven months of negotiations, had accepted RS government amendments verbatim, and was as beneficial to the entities as possible without undermining the principle that all arms, ammunition and explosives had to be owned by the state. No amendments would be entertained, they told Spiric.

INCREASING THE PRESSURE

16. (C) On February 13, Spiric's Chief of Staff Gordana Zivkovic informed us that the Prime Minister had decided to remove the transfer agreement from consideration at the CoM session the following day due to the number of contentious issues on the agenda. The Ambassador phoned Spiric that evening and told him that the United States expected him to honor his commitment and secure approval of the agreement on February 14. The Ambassador said that Spiric's decision to effectively block progress in transferring arms and ammunition to the state was particularly troubling in light of Kosovo-related developments. The Ambassador also reminded Spiric of his commitments to senior USG policy makers during his recent visit to Washington to move the NATO agenda forward. Spiric bemoaned the contentious nature of the items on the CoM agenda and the fact that the agreement had not gone through proper ministry vetting as the reasons to delay its consideration but suggested the possibility of considering the agreement the following day. The Prime Minister later phoned to ask the Ambassador to call Serb Presidency member, and fellow SNSD member, Nebojsa Radmanovic, and ask the President to "order" Spiric to secure approval of the agreement at the February 14 session.

REACHING OUT TO RADMANOVIC, COVIC, CIKOTIC

17. (C) In conversations with President Radmanovic, the Ambassador urged him to use his influence with Dodik and Spiric to move the agreement forward. Radmanovic, expressing his personal support for the agreement as drafted, agreed to speak with both men and advocate on behalf of the agreement. On the morning of February 13, Radmanovic said he had failed to convince Dodik to honor his commitment to the January 31 text, but would encourage Spiric to approve the agreement at the CoM session. Radmanovic urged the USG not interpret any link between defense property issues and developments in Kosovo asserting that Dodik and SNSD sought to minimize any fallout from an independence declaration. Radmanovic did concede, however, that it was important to not give the impression that the RS was seeking to undermine the security situation in Bosnia. In a separate conversation, Croatian Democratic Union (HDZ) President Dragan Covic promised his party's support for the agreement including the votes of the two HDZ ministers in the CoM. Defense Minister Cikotic told the Ambassador that he would secure the support of all Bosniak ministers for the agreement.

SPIRIC THE "RISK TAKER"

18. (C) Immediately following the CoM session, Spiric asked to meet with the Ambassador. Spiric characterized the CoM approval of the transfer agreement and several other important decisions, including two laws on state police structures, as Bosnia's "biggest step forward since initialing the (EU Stabilization and Association Agreement)." Spiric underscored that this was the first time that domestic Bosnian institutions had independently taken such important steps to advance Bosnia's Euro-Atlantic integration. Spiric

SARAJEVO 00000307 003 OF 003

claimed that he "had taken all the risk," in spurning Dodik on the transfer agreement, and had even ignored a request by Dodik to delay action for 48 hours to discuss amendments. Spiric said he had "needed cover," to take the decision and thanked the Ambassador for encouraging Radmanovic to call him to express support for the agreement. Incredibly, Spiric asserted that his strong leadership had allowed the CoM to rise above party and ethnic affiliation and act in the interest of all citizens. Spiric said it was now vital that "we do everything possible to make the agreement succeed," and secure Dodik's and the RS government's support. Spiric suggested that the agreement could remain intact if Dodik was offered some "make believe concessions." In a further effort to give Spiric top cover, the Embassy and OHR released press statements supporting the decisions of the CoM across the board to include police reform as well as defense property. The Banja Luka daily Nezavisne Novine- our intended target- was the only press outlet which gave our statements prominent coverage.

COMMENT: HOLDING THE LINE WITH BANJA LUKA; SPIRIC SURPRISES

19. (C) The CoM decision is a welcome development, though we still have no indications that Dodik will be willing to honor his prior commitments and approve the transfer agreement. We will work with NATO HQ in developing a strategy to move forward and simultaneously hold Dodik to his pledge that the RS Government would approve the agreement. Dodik's proposed amendments are unacceptable as they would allow substantial loopholes in the agreement that undermine the principle of state ownership of all arms, ammunition and weapons. CoM and Federation approval of the text also make further amendments to the agreement practically impossible at this point. Dodik will be on vacation for the next ten days, but we will engage with him upon his return to push RS approval of the agreement in the run up to the Bucharest Summit.

110. (C) The apparent decision by Spiric and Radmanovic to

break ranks with Dodik and the RS government is surprising. While the CoM decision has little practical impact without RS government approval of the agreement, it does have the effect of exposing Dodik on the issue and removing his ability to obstruct it through state-level SNSD representatives. Dodik no longer has the option, as he clearly intended, to allow the agreement to languish in Sarajevo. The onus for concluding the process and enabling further cooperation with NATO now lies solely in Banja Luka. As Spiric told the Ambassador yesterday, "Dodik must understand that it is inevitable that Bosnia move down both the NATO and EU road at the same time." End Comment.

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